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ABSTRACT

The National Association of Secondary School Principals surveyed school districts throughout the United States to determine the details of merit pay programs offered to secondary school administrators. The ERIC Clearinghouse on Education Management compiled and analyzed the results of the survey. Eight basic types of programs are identified and described. Most programs involve a fixed salary schedule to which increments can be added for merit. Data from the survey also indicate five evaluation procedures and three sources of recommendations for salary increases on the basis of merit. Data are also compiled system-by-system as reported by the responding school districts. The report and its accompanying tables detail the results of the survey and offer examples of the eight types of programs but make no recommendations of specific merit pay programs. (Author)

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MERIT PAY PROGRAMS

FOR SECONDARY SCHOOL ADMINISTRATORS

1972-1973

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The Educational Resources Information Center (ERIC) is a national information system operated by the National Institute of Education. ERIC serves educators by disseminating educational research results and other resource information that can be used in developing more effective educational programs.

The ERIC Clearinghouse on Educational Management, one of several clearinghouses in the system, was established at the University of Oregon in 1966. The Clearinghouse and its companion units process research reports and journal articles for announcement in ERIC's index and abstract bulletins.

Besides processing documents and journal articles, the Clearinghouse has another major function -information analysis and synthesis. The Clearinghouse prepares bibliographies, literature reviews, state-of-the-knowledge papers, and other interpretive research studies on topics in its educational area.

Prior to publication, the manuscript was submitted to the National Association of Secondary School Principals for critical review and determination of professional competence. This publication has met such standards. Points of view or opinions, however, do not necessarily represent the official view or opinions of the National Association of Secondary School Principals.

FOREWORD

During the past several years this Clearinghouse has issued in a variety of formats numerous publications that review and analyze literature on topics in educational management. With the exception of the state-of-the-knowledge series, none of these publications has gone beyond the literature to describe and assess the current state of educational practice.

There are reasons for this emphasis on the analysis of knowledge in print. ERIC's medium is literature. As a component of that system, the Clearinghouse depends on ERIC's information file. Also, the Clearinghouse at this time has no means to collect data directly from educational practitioners. Thus, although the Clearinghouse has seen the need for descriptions of educational practice, for practical reasons it has been unable to meet that need.

Therefore, when an opportunity arose to cooperate with the National Association of Secondary School Principals in the compilation of this survey of practices on merit pay for administrators, the Clearinghouse eagerly responded.

During the 1971-72 school year NASSP received many inquiries concerning merit salary provisions offered to secondary school administrators. Three types of questions were frequently raised:

(a) Where are administrative merit salary provisions being used?

(b) How are these merit schedules being constructed?

(c) Are there any significant trends that can be identified in the review of merit salary approaches?

To provide answers to these questions NASSP decided to collect available information on merit pay plans throughout the country. The Clearinghouse agreed to analyze the data and compile them into a report for publication.

NASSP designated a data collection person in each state during the summer of 1972. During the fall, these contacts sent to NASSP merit salary information they collected from institutions within their respective states. Responses were sparse. However, sixty replies were forwarded to the Clearinghouse for compilation and analysis. This special report contains the results.

The purpose of the report is informational. It provides an initial cross-section view of merit pay for administrators. By design, neither the Clearinghouse nor NASSP has taken a position on merit salary plans for administrators. That responsibility lies with each administrator.

NASSP would still like to receive data on other merit salary plans. If your district has developed a merit salary approach for administrators, please send a copy of the plan to NASSP. Correspondence should be directed to the Office of Professional Assistance, NASSP, Dulles International Airport, P.O. Box 17430, Washington, D.C. 20041.

Philip K. Piele
Director

MERIT PAY PROGRAMS FOR SECONDARY SCHOOL ADMINISTRATORS, 1972-1973

For the purposes of this report, merit pay programs are generally defined as those programs in which an administrator is paid in whole or in part on the basis of his on-the-job performance. Eight basic types of programs were identified from responses to the survey. Five evaluation procedures for the determination of merit and three sources of merit increases were also identified from the responses.

There were 60 responses, as follows: 16 respondents indicated no merit pay provisions, 7 listed a salary schedule with no data on merit pay, 7 did not include enough data for analysis, and 30 indicated merit programs of some sort.

EIGHT BASIC TYPES OF MERIT PAY PROGRAMS

TABLE A: BREAKDOWN OF MERIT PAY PROGRAMS

	#	%
SALARY SCHEDULE WITH MERIT INCREMENT (PERCENTAGE BASIS)	8	26.7
SALARY SCHEDULE WITH MERIT INCREMENT	6	20.0
SALARY SCHEDULE WITH RATING FACTOR BASED ON MERIT	5	16.7
SALARY SCHEDULE WITH MERIT INCREMENT (POINT BASIS)	3	10.0
SALARY SCHEDULE WITH MERIT CONSIDERATION	3	10.0
POINT SYSTEM SALARY WITH POINTS FOR MERIT	2	6.7
SALARY SCHEDULE WITH MERIT MOVEMENT	1	3.3
MERIT INCREMENT (PERCENTAGE BASIS)	1	3.3
WORKING ON MERIT PLAN	1	3.3
TOTALS	30	100.0

The most common merit pay provisions consist of a fixed salary schedule to which increments can be added for merit. Increments, or additions to the scheduled salaries, are of three types: (1) a percentage of the base salary to be added to that base, (2) dollar amounts to be added to the base salary, or (3) dollar amounts assigned to point values determined by performance evaluation, such dollar amounts to be added to the base salary.

PROGRAM 1: The most common merit pay program, reported by 26.7 percent of the school systems with merit pay provisions, is a salary schedule with a merit increment calculated as a percentage of the base salary.

PROGRAM 2: The next most common program (20.0 percent) is a salary schedule with a merit increment most usually expressed as a dollar amount.

PROGRAM 3: Another form of merit pay provision is a salary determined by multiplying a base salary by a rating factor based on merit (16.7 percent).

PROGRAM 4: Salary schedules with merit increments calculated on a point basis account for 10.0 percent of the reported merit pay programs.

PROGRAM 5: Several school systems (10.0 percent) indicate that merit is a consideration in the determination of salary, but espouse no concrete program of merit pay.

PROGRAM 6: Point system salaries with points for merit are reported by 6.7 percent of the systems with merit pay provisions. In a point system salary, points are assigned an administrator on the basis of such considerations as experience, tenure, training, responsibility, and performance. These points are either assigned dollar values or provide the basis for placement of the administrator on a salary scale.

PROGRAM 7: Movement through a salary schedule on the basis of merit is reported by 3.3 percent of the systems with merit pay provisions.

PROGRAM 8: Merit increments on a percentage basis, with no indication of salary schedule, are reported by 3.3 percent of the sample.

EVALUATION PROCEDURES

One of the most important considerations in using merit pay programs is evaluation. Who evaluates the administrator to determine his merit? Twenty-five descriptions of evaluation procedures were provided with the data submitted on merit pay programs.

TABLE B: BREAKDOWN OF EVALUATION PROCEDURES

	#	%
EVALUATION INSTRUMENT USED	13	52.0
EVALUATION BY IMMEDIATE SUPERVISOR	7	28.0
EVALUATION BY SUPERINTENDENT	2	8.0
SELF-EVALUATION	2	8.0
EVALUATION BY SUPERINTENDENT OR ASSISTANT SUPERINTENDENT	1	4.0
TOTALS	25	100.0

The most common procedure identified (52.0 percent) involves the use of evaluation devices, usually in the form of rating sheets. The administrator's immediate supervisor evaluates performance in 28.0 percent of the sample. The superintendent evaluates performance in 8.0 percent of the systems reporting evaluation procedures. Self-evaluation accounts for 8.0 percent of the sample. Either the superintendent or the assistant superintendent evaluates the administrator in another 4.0 percent of the sample.

RESPONSIBILITY FOR MERIT INCREASES

Twenty-two school systems reported data on the sources of recommendations for pay increases on the basis of merit:

TABLE C: RESPONSIBILITY FOR MERIT INCREASES

	#	%
MERIT INCREASES RECOMMENDED BY SUPERINTENDENT	13	59.1
MERIT INCREASES APPROVED BY SCHOOL BOARD	7	31.8
MERIT INCREASES RECOMMENDED BY IMMEDIATE SUPERVISOR	2	9.1
TOTALS	22	100.0

In 59.1 percent of the sample, merit increases are recommended by the superintendent. School board approval of such increases is required by 31.8 percent of the systems. An additional 9.1 percent of the sample require recommendation by the administrator's immediate supervisor for merit increases.

SYSTEM-BY-SYSTEM REPORT

Table D lists the data system-by-system and includes individual data when provided (in parentheses). Descriptions of merit pay programs and evaluation procedures attempt to use terminology as reported by each school system.

TABLE D: MERIT PROVISIONS FOR ADMINISTRATORS

INSTITUTION	TYPE OF PAY PROGRAM	EVALUATION AND *RESPONSIBILITY*
ARIZONA Flagstaff Public Schools	Salary Schedule w/Merit Movement	Evaluation by Immediate Supervisor *Merit Increases Rec. by Superintendent*
CONNECTICUT *Vernon Schools, Rockville	Salary Schedule w/Merit Increment % *(up to 7%)*	*Merit Increases Rec. by Superintendent* *Merit Increases Approved by School Board*
IDAHO School District 91, Idaho Falls	Working on Merit Pay Plan	No Data
ILLINOIS Board of Education, City of Chicago	Salary Schedule w/Merit Increment %	Evaluation Instrument Used Evaluation by Immediate Supervisor *Merit Increases Rec. by Superintendent* *Merit Increases Approved by School Board*
*School District 65, Evanston	Salary Schedule w/Merit Increment Point *(up to 115 points, $50/point)*	Evaluation Instrument Used *Merit Increases Rec. by Superintendent*
IOWA Dubuque Community School District	Point System Salary w/Points for Merit *(up to 30 points, $100/point)*	No Data
Mason City Community Schools	Point System Salary w/Points for Merit	Evaluation Instrument Used Evaluation by Immediate Supervisor
KANSAS Topeka Public Schools	Salary Schedule w/Rating Factor	Evaluation Instrument Used Self-Evaluation
MICHIGAN *Utica	Salary Schedule w/Merit Consideration	Evaluation by Immediate Supervisor *Merit Increases Rec. by Superintendent* *Merit Increases Approved by School Board*

(continued)

TABLE D *(continued)*

MINNESOTA		
School District 279, Osseo	Salary Schedule w/Rating Factor	Evaluation by Superintendent
School District 834, Stillwater	Salary Schedule w/Merit Increment % *(up to 5%)*	*Merit Increases Rec. by Immed. Supervisor* *Merit Increases Rec. by Superintendent*
*S Wash. County Schools, Cottage Grove	Salary Schedule w/Merit Increment % *(2% to 7%)*	Evaluation by Immediate Supervisor *Merit Increases Rec. by Superintendent*
MISSOURI		
*Clayton	Salary Schedule w/Merit Increment	*Merit Increases Rec. by Superintendent* *Merit Increases Approved by School Board*
Columbia Public Schools	Salary Schedule w/Rating Factor	No Data
Kirkwood School District R-7	Salary Schedule w/Merit Consideration	No Data
Parkway School District, Chesterfield	Salary Schedule w/Merit Increment *($200 incremental units)*	Evaluation Instrument Used Evaluation by Immediate Supervisor
NEBRASKA		
Grand Island Public Schools	Salary Schedule w/Merit Increment % *(up to 10%)*	*Merit Increases Rec. by Superintendent* *Merit Increases Approved by School Board*
NEW JERSEY		
Bridgewater-Raritan School District	Salary Schedule w/Merit Increment Point *(up to 7 points, point value varies)*	Evaluation Instrument Used Evaluation by Superintendent or Assistant
N Valley Reg. H.S., Old Tappan	Salary Schedule w/Merit Increment % *(up to 8%)*	*Merit Increases Rec. by Superintendent*
Scotch Plains-Fanwood School System	Salary Schedule w/Rating Factor	*Merit Increases Rec. by Superintendent*
OHIO		
*Shaker Heights City School District	Salary Schedule w/Merit Consideration	Evaluation Instrument Used *Merit Increases Rec. by Superintendent*
PENNSYLVANIA		
Allentown School District	Salary Schedule w/Merit Increment	Evaluation Instrument Used Evaluation by Immediate Supervisor
*Coatesville Area School District	Salary Schedule w/Merit Increment Point *(up to 30 points, $117/point to $3400)*	Evaluation Instrument Used
Erie	Salary Schedule w/Rating Factor	Evaluation Instrument Used Evaluation by Superintendent Self-Evaluation
WASHINGTON		
Redmond H.S., School District 414	Salary Schedule w/Merit Increment *($375 to $900 stipends)*	Evaluation Instrument Used
WISCONSIN		
Appleton Public Schools	Salary Schedule w/Merit Increment % *(salary ranges, 2% to 6% increment)*	*Merit Increases Rec. by Immed. Supervisor*
Madison Public Schools	Salary Schedule w/Merit Increment % *(up to 25%)*	Evaluation Instrument Used
Merrill Area Public Schools	Merit Increment % *(up to 5% for merit)*	Evaluation Instrument Used *Merit Increases Approved by School Board*
*Oconomowoc Public Schools	Salary Schedule w/Merit Increment *($100 increments)*	*Merit Increases Rec. by Superintendent* *Merit Increases Approved by School Board*
CANADA		
ONTARIO		
*Metropolitan Toronto	Salary Schedule w/Merit Increment	No Data

*Data supplied by National Education Association (NEA).

EXAMPLES OF MERIT PAY PROGRAMS

The following examples are provided to clarify the types of programs identified in the tables:

SALARY SCHEDULE WITH MERIT INCREMENT (PERCENTAGE BASIS)
Independent School District Number 834, Stillwater, Minnesota:

"Up to 5% of an administrator's total calculated salary may be added for outstanding performance in carrying out his total job responsibilities as well as his mutually agreed upon stated yearly objectives."

SALARY SCHEDULE WITH MERIT INCREMENT
Clayton, Missouri:

"In cases of outstanding merit, an Administrator, upon the recommendation of the Superintendent and upon the favorable action of the School Board, may be awarded some form of merit increment. Merit increments may be utilized to exceed salary maximums as well as to accelerate movement through the salary schedule."

SALARY SCHEDULE WITH RATING FACTOR BASED ON MERIT
Independent School District Number 279, Osseo, Minnesota:

"Formula Used for Administrative Salaries"

Administrative salary =	Teachers Daily Salary	x	Responsibility & Rating Factor	x	Number of Days Worked

SALARY SCHEDULE WITH MERIT INCREMENT (POINT BASIS)
Coatesville Area School District, Pennsylvania:

"Factor	Formula	Maximum Dollar Amount"
Performance	$117/point above 70 on a 100 point evaluation device	$3,400

SALARY SCHEDULE WITH MERIT CONSIDERATION
Utica, Michigan:

"An administrator may be granted salary increases . . . as recommended by the Superintendent of Schools. . . . The Superintendent of Schools may go beyond the salary schedule with the approval of the Utica Board of Education."

POINT SYSTEM SALARY WITH POINTS FOR MERIT
Dubuque Community School District, Dubuque, Iowa:

"The system in summary revolves around administrators being allocated points for length of contract, position responsibility, experience, training and performance. The performance points are based upon goals and objectives with evaluation."

SALARY SCHEDULE WITH MERIT MOVEMENT
Flagstaff Public Schools, Flagstaff, Arizona:

". . . movement of each individual within the salary ranges will be determined by an evaluation of performance and the recommendation of the Superintendent of Schools."

MERIT INCREMENT (PERCENTAGE BASIS)
Merrill Area Public Schools, Wisconsin:

"A minimum 5.0% increase in salary was considered by all administrators as being 'minimum'. Merit increases could include another 5.0%. . . ."